

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
Southern Division**

**In re:**

**SHOOK & FLETCHER INSULATION CO.**

**Debtor-in-Possession.**

**Case No. 02-02771-BGC-11  
Chapter 11**

**ENTERED**

**OCT 17 2002**

Clerk, U.S. Bankruptcy Court  
Northern District of Alabama

**ORDER AUTHORIZING AND APPROVING COMPROMISE  
STIPULATION AMONG SHOOK & FLETCHER INSULATION  
CO., DICKSTEIN SHAPIRO MORIN & OSHINSKY LLP AND BRADLEY  
ARANT ROSE & WHITE LLP IN RESPECT OF CERTAIN COMPROMISES**

This matter came before the Court on a Motion for Approval of Stipulation Among Shook & Fletcher Insulation Co., Dickstein Shapiro Morin & Oshinsky LLP and Bradley Arant Rose & White LLP in Respect of Certain Compromises (the "Motion") filed by Shook & Fletcher Insulation Co., the debtor and debtor-in-possession herein ("Shook & Fletcher" or the "Debtor"), seeking approval of the Stipulation Among Shook & Fletcher Insulation Co., Dickstein Morin & Oshinsky LLP and Bradley Arant Rose & White LLP, (attached to the Motion as Exhibit 1 and referred to herein as the "Stipulation"). Capitalized terms used in this Order and not otherwise defined shall have the respective defined meanings set forth in the Stipulation.

Adequate notice of the Motion and of the hearing on the Motion was given (a) by mailing a copy of the Motion and notice of the hearing on the Motion to: (i) counsel for the Asbestos Claimants Committee appointed in the Debtor's Chapter 11 Case (the "ACC"); (ii) counsel for the Futures Representative; (iii) counsel for the Center for Claims Resolution; (iv) counsel for the Pre-Petition Trustee; (v) the attorneys representing Asbestos Claimants who as of the date the

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Motion was filed, had filed with the Court either (1) a Proof of Claim or (2) a notice in accordance with the Court's Order Approving Notice Procedures for Included Asbestos Claimants, entered May 2, 2002; and (v) all other Persons or Entities that, as of the date the Motion was filed, had filed a notice of appearance and demand for service of papers in the Debtor's Chapter 11 Case.

A hearing on the Motion was held on October 17, 2002 (the "Hearing") to consider the approval of the Stipulation and all interested parties were given an opportunity to be heard and to present evidence. Based upon the record of the Hearing and of this Chapter 11 Case, and after due deliberation and sufficient cause appearing therefor:

The Court hereby FINDS that:

A. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This Motion presents a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (M) and (O).

B. The notice of the Motion and of the hearing on the Motion described above constitutes due, sufficient, and timely notice to all persons entitled thereto in accordance with the requirements of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, and of due process. No other or further notice of the Motion or of the hearing on the Motion or of the request for entry of this Order is necessary.

C. The Debtor, Dickstein Shapiro Morin & Oshinsky LLP ("Dickstein Shapiro") and Bradley Arant Rose & White LLP ("Bradley Arant," and together with Dickstein Shapiro, the "Law Firms"), negotiated at arm's length and in good faith to reach agreement on the matters resolved through the Stipulation.

D. Pursuant to the 1998 Retainer Agreement and the 1999 Coverage-in-Place Settlements, the Law Firms assert a charging lien upon the proceeds of the 1999 Coverage-in-Place Settlements, to the extent of the agreed contingency fee percentages set forth in the Law Firms' retainer agreements with the Debtor.

E. The compromise contained in the Stipulation is a valid and proper exercise of the Debtor's business judgment and represents an exchange for reasonably equivalent value.

F. Each of the following factors has been taken into account by the Parties in reaching the compromises embodied in the Agreement, and each factor supports approval of the Agreement:

- a) the probability of success in the litigation of the claims among the Debtor and the Law Firms;
- b) the difficulties, if any, to be encountered in the matter of collections of any claims among the Debtor and the Law Firms;
- c) the complexity of the litigation among the Debtor and the Law Firms, and the expense, inconvenience, and delay necessarily attending it; and
- d) the paramount interest of creditors and a proper deference to their reasonable views in the premises.

G. The terms of the compromise and exchanges of consideration set forth in the Stipulation: (i) are in the best interests of the Debtor, its Estate, and its Creditors; and (ii) are entered into in good faith.

H. By entering into the Stipulation, the Parties have compromised their positions and have not admitted to or waived any legal, factual or other positions with respect to any dispute between the Parties.

NOW, THEREFORE, pursuant to Bankruptcy Code §§ 105(a), 1107 and 1108 and Rule 9019(a) of the Federal Rules of Bankruptcy Procedure, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. The Motion shall be and hereby is GRANTED, and the Stipulation is hereby APPROVED in all respects.

2. The Debtor is hereby authorized and empowered to take all necessary acts to carry out and implement the Stipulation in accordance with its terms without further order of the Court. The Stipulation and this Order constitute valid and binding obligations of the Debtor and of its Estate, which shall be enforceable in accordance with the terms thereof, notwithstanding the provisions of any Chapter 11 plan or order confirming such plan.

3. Subject to the terms of the Stipulation, the charging lien of the Law Firms under the 1998 Retainer Agreement as amended by the Stipulation shall continue solely upon the Remaining Aggregate Limits, as defined in the Stipulation, to the extent of the Stipulated Contingency Fee.

4. Subject to the terms of the Stipulation, except for the rights and obligations set forth in the Stipulation, the Law Firms waive and release any and all rights and claims, whether contractual, legal, equitable or otherwise, whether contingent or otherwise, whether past, present or future, against Shook or any other person or entity, for or with respect to payment related to professional services rendered and all expenses incurred on behalf of Shook in connection with any matters, including without limitation (i) the Wellington Non-Products Matters, (ii) any coverage that may be available from any insurer that is not a party to or otherwise liable to make payments pursuant to the 1999 Coverage-in-Place Settlements, and (iii) as described in the

Stipulation, any payments with respect to non-products coverage or the proceeds thereof secured from SAFECO or National Union.

5. Subject to the terms of the Stipulation, except for the rights and obligations set forth in the Stipulation, Shook, its bankruptcy estate or any representative thereof pursuant to Bankruptcy Code § 1123(b)(3)(B) and its predecessors, successors or assigns, on the one hand, and the Law Firms and their predecessors, successors or assigns, on the other hand, absolutely and unconditionally and irrevocably release, remise and forever discharge and acquit each other's Releasees from any and all claims, demands, debts, accounts, contracts, liabilities, actions and causes of action, known or unknown, in or based upon law, equity, contract or otherwise, that they at any time had, now have or may in the future have (directly or indirectly) against each other or their affiliates, subsidiaries, bankruptcy estates, attorneys, officers, directors, partners, agents or employees or the predecessors, successors or assigns of any of them arising out of or relating in any way to the 1998 Retainer Agreement or the 2000 Modification, any services rendered or payments made or to be made thereunder or, any services rendered by the Law Firms, including any avoidance actions under §§ 541 through 553 of title 11 of the U.S. Code. For purposes of this paragraph, the Releases of a party to the Stipulation include the party and its affiliates, subsidiaries and bankruptcy estates, the predecessors, successors and assigns of each of the foregoing person or entities, and the attorneys, officers, directors, shareholders, agents and employees or each of the foregoing persons or entities.

6. The Court shall retain jurisdiction over any proceeding that involves the validity, enforceability, application, scope, construction, or modification of (i) the Stipulation and any of its provisions, and (ii) this Approval Order, and the Court may make such further orders with respect thereto as are necessary and proper.

7. The terms of this Order including without limitation the charging lien of the Law Firms shall survive the dismissal of the Debtor's bankruptcy case and/or the confirmation of any plan of reorganization in the Debtor's bankruptcy case.

Dated: October 17, 2002



United States Bankruptcy Judge

Dated: October \_\_, 2002

Copy to: Richard P. Carmody  
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